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Vita Life Sciences Limited ("Vita Life")
[ASX Code: VSC]

Annual General Meeting 21 May 2009

Summary of Managing Director's Address

The following were the milestones for the financial year ended 31 December 2008:

- Health division's Established business units in Australia, Malaysia and Singapore ("Established Units") recorded healthy sales growth, reflecting stronger brand presence in Australia, Malaysia and Singapore;
- Commenced sales in People's Republic of China;
- Health division anchored its presence in Thailand; and
- Appointed Malaysian agent for Lydia Jordane and Lycon Wax brands.

Financial highlights:

(a) Income Statement

- Sales in 2008 improved by 21.3% with sales growth in Australia, Malaysia and Singapore of approximately 31.0%, 10.4% and 9.9% respectively. This reflects the strengthening of the Group's brands in Australia, Malaysia and Singapore.
- Group Earnings before Interest Expense and Taxes ("EBIT") of $0.49 million in 2008, improved from 2007 of $0.03 million, as a result of successful strategies implemented. The strategies include product reformulation, expansion of product range and new products development with the benefit of continuing to produce quality products at effective costs.
- Recovery of $1.0 million from proceeds received from Pan Pharmaceuticals Liquidator.
- Net profit of $0.35 million for FY2008 (2007: Net loss of $0.20 million).

(b) Financial position:

Net assets and Shareholders' funds improved from 2007 as a result of:

- Sales growth and Improved profitability;
- Repositioning distribution arrangements;
- Higher inventory and receivables level as a result of sales growth and new business initiatives.

Development of Health division:

- Health division's Established Units remained the key driver of sales growth with sales grew by 20.6%. This reflects the strengthening of the Group's brands in Australia, Malaysia and Singapore.
- Health division EBIT of $0.75 million, improved from 2007's EBIT of $0.13 million, as a result of strategies mentioned above. While Group's strategies have been successful, trading conditions remained competitive, impacting Group's margins.
- New business initiatives in Malaysia, Thailand and People's Republic of China ("New Initiatives") faced with challenges:
  - Competitive environment and barriers of entry;
  - Stringent Government regulation.

Development of Investment division:

- Phase 1 units of the property development project in Malaysia were sold out in 2008. Construction completed in 1st Quarter 2009 and delivery expected in next 2 months.
- The development project, which the Group has 20.1% share of profit, is expected to launch Phase 2 in 2nd Half of 2009.

Outlook for the financial year ending 31 December 2009

- For 1st Half of 2009, Sales expected to grow by 12 – 17% compared to previous corresponding period.
- Similar Sales growth trend is expected for the full financial year assuming consumer sentiment remained unchanged moving forward.

- Health division's New Initiatives is continuing to develop and will provide the Group with growth in medium to long term. However, New Initiatives is expected to negatively impact results in short term.
- Potential expansion of Indonesian market consistent with Group's growth strategy; currently the market is being serviced by an agent. Group's plan is to establish our own Vita Health subsidiary which would involve capital investment of $0.35 million approximately.
- As advised in April 2009, the Company has filed a Statement of Claim against the Commonwealth of Australia alleged misfeasance by Therapeutic Goods Administration ("TGA") on the Pan Pharmaceuticals Limited (in liquidation) product recall which resulted in the Company suffering substantial losses. The quantum of the Company's damages is currently being evaluated by independent expert. Based on the progress of legal work performed, the legal and related professional services are estimated to cost approximately $1.0 million for the current financial year. Currently Health and Investment divisions have sufficient cash reserves to operate independently. Consideration is being made for proposed draw down of Group's existing financing facility and / or capital raising exercise to fund the legal cost.
- Whilst the Health division performance remains encouraging and is expected to report an improved EBIT over the preceding period, the legal cost on claim against TGA / Commonwealth of Australia is expected to result in the Group reporting EBIT loss of $0.40 million to $0.50 million for the first Half of 2009.
- Overall EBIT loss on a Group basis is also expected for the full financial year primarily due to the legal cost on claim against the TGA / Commonwealth of Australia.

Vita Life Sciences Limited

(ASX Code: VSC)

Annual General Meeting

21 May 2009

Agenda

1. Chairman's Address
2. Managing Directors' Review
3. Ordinary and Special Business:

   Resolutions 1 - 4
4. Question Time
5. Close

Chairman’s Welcome Address

Agenda

1. **Chairman's Address**
2. **Managing Directors' Review**
3. **Ordinary and Special Business:**

   Resolutions 1 - 4
4. **Question Time**
5. **Close**

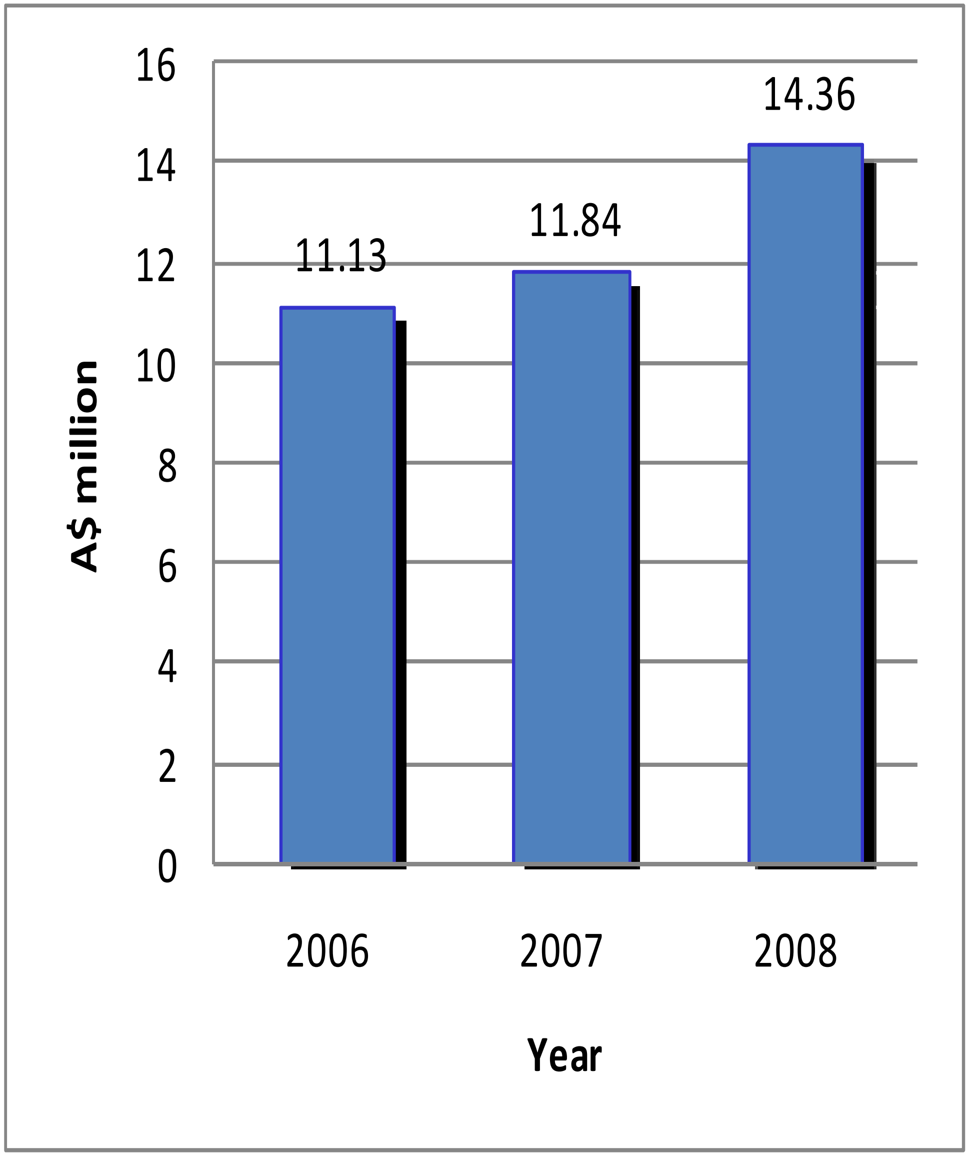
2008 Highlights

- Higher sales (+21.3% reported)
- Improvement in EBIT
- Strengthened our brands in Australia, Malaysia and Singapore
- Anchored presence in Thailand
- Commenced trading in China
- Appointed Malaysian agent for Lydia Jordane and Lycon Wax brands

Financial Summary – Income Statement

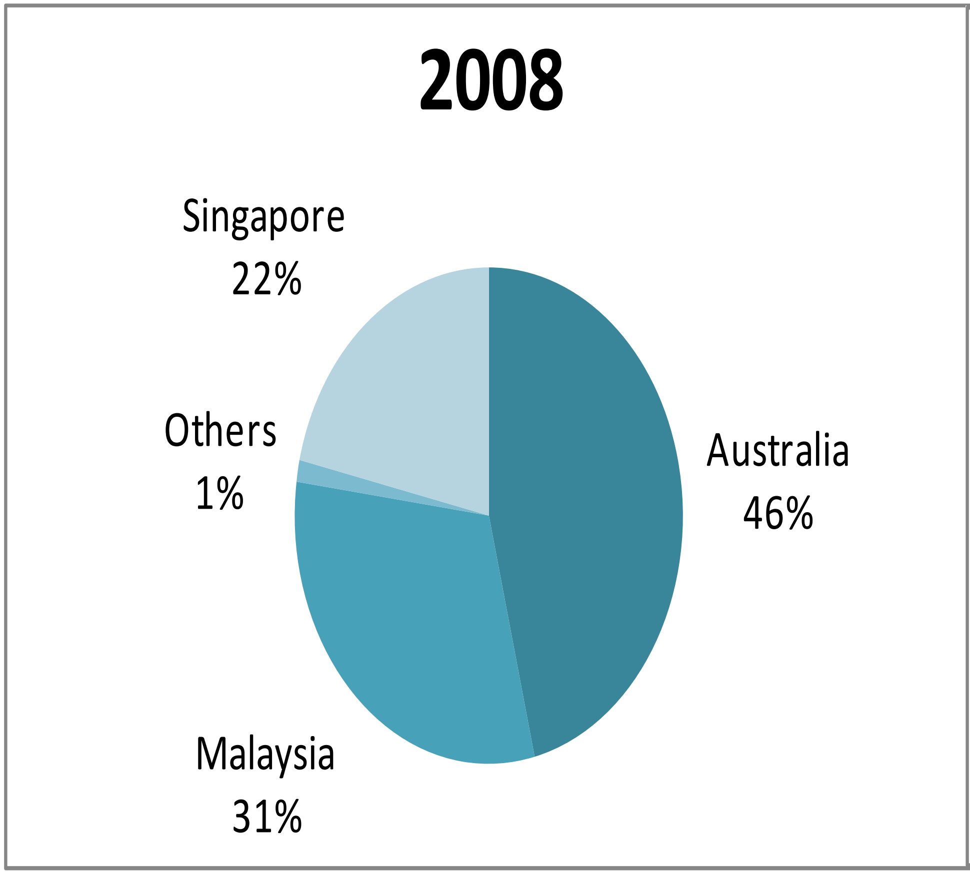
Income Statement for year ended	2008 (A$ million)	2007 (A$ million)	% Change
Sales	14.36	11.84	21.3%
Other income	1.17	0.62	89.6%
Operating expenses	(14.87)	(12.29)	21.1%
EBITDA	**0.65**	**0.17**	**>100%**
Depreciation & amortisation	(0.16)	(0.13)	20.7%
EBIT	**0.49**	**0.03**	**>100%**
Interest expense	(0.18)	(0.36)	-48.7%
Income tax credit	0.05	0.12	-60.2%
Net profit after tax	**0.35**	**(0.20)**	**>100%**
Earnings per share - basic (cents per share)	0.73	(0.96)	**>100%**
Weighted average shares ('000)	48,197	26,340	

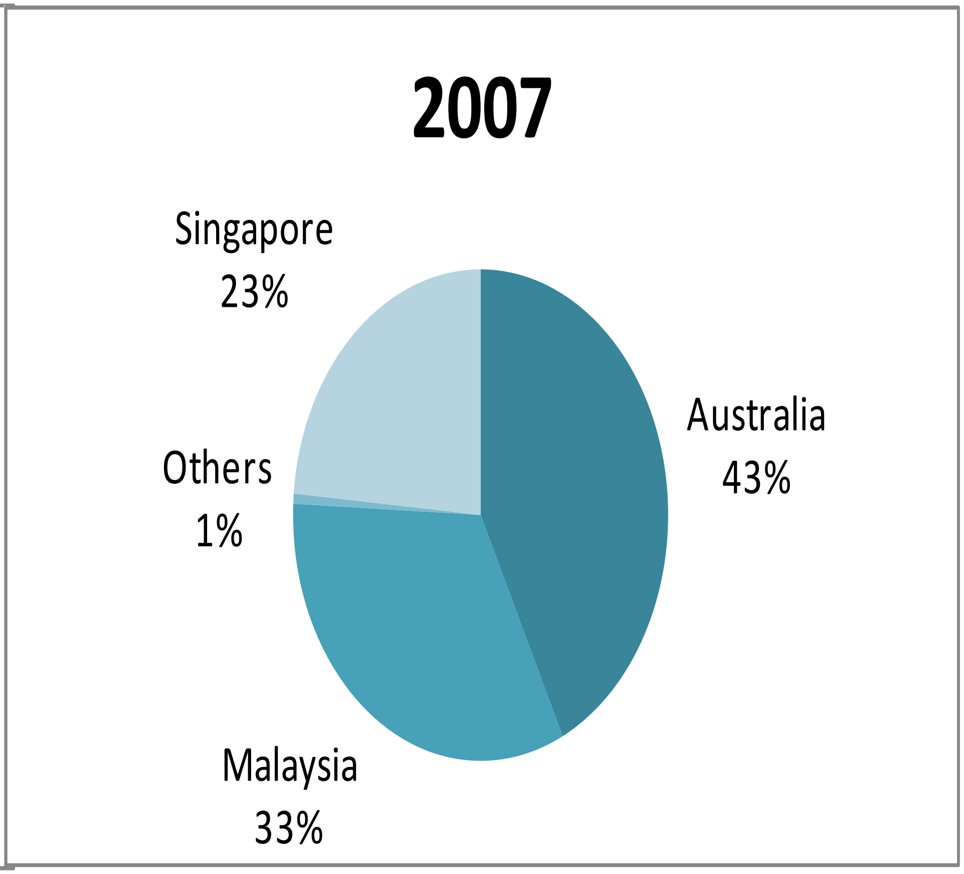
Sales Revenue



- Sales of $14.36 million in 2008
- Sales grew by 21.3% in 2008 (2007: 6.3%)
- Established business grew by 20.6%

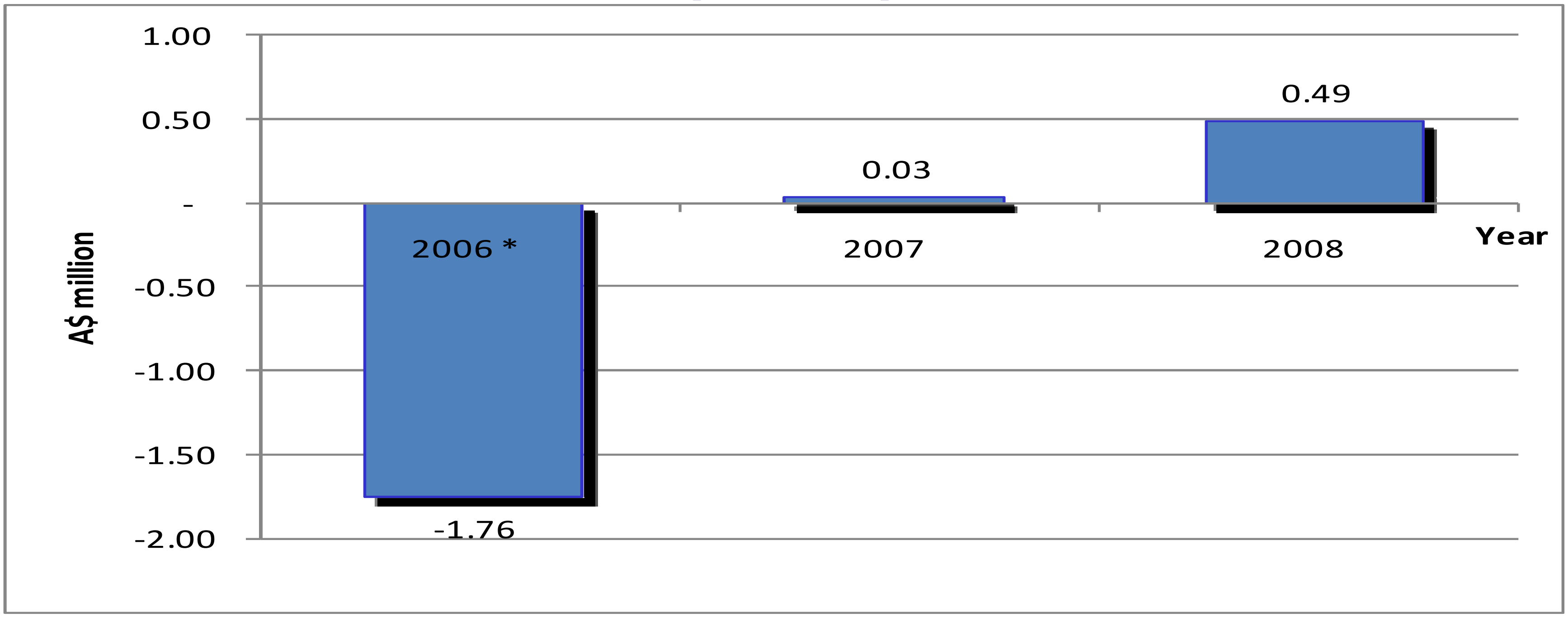
Sales Revenue - Segment





- Sales growth y-o-y for Australia, Malaysia and Singapore were 31.0%, 10.4% and 9.9% respectively

Earnings Before Interest Expense & Taxes (EBIT)



** Excluding profit on disposal of Cyclopharm Limited of $11.8 million*

- Group EBIT of $0.49 million in 2008
- Health division EBIT of $0.75 million in 2008 (2007: $0.13 million)

Financial Summary – Balance Sheet

Balance Sheet As at 31 December	2008 (A$ million)	2007 (A$ million)	% Change
Current assets	6.22	4.66	33.5%
Non-current assets	2.42	2.07	16.9%
Total assets	**8.64**	**6.73**	**28.4%**
Current liabilities	(4.78)	(3.84)	24.3%
Non-current liabilities	(0.02)	(0.00)	>100%
Total liabilities	**(4.79)**	**(3.85)**	**24.6%**
Net assets	**3.85**	**2.88**	**33.5%**

- Improved asset base
- Improved shareholders' funds

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Investment Division

- Progress on 372 units of houses and shops project in Malaysia
  - ❖ Group has 20.1% share of profit
  - ❖ All units of phase 1 sold in 2008; delivery in next 2 months
  - ❖ Expected to launch Phase 2 in 2nd Half 2009

Overall Challenges

- Global Financial crisis
- Cost of materials
- Stringent Government regulation in new business units e.g. China & Thailand

Outlook for 2009

- 1st Half 2009:
  - ❖Sales: Positive growth over 2008
  - ❖ Profitability: Expect operating profit to be offset by legal costs (TGA/PAN)
- Continue strengthening foothold in new business units
- On-going growth expansion initiatives (Indonesian market)

Agenda

1. **Chairman's Address**
2. **Managing Directors' Review**
3. **Ordinary and Special Business:**

   Resolutions 1 - 4
4. **Question Time**
5. **Close**

Proxy Summary

Resolution	Business	For	Against	Abstain	Proxy's discretion
1	Adoption of Remuneration Report	24,206,350	57,584	8,125	10,000
2	Election of Director	24,252,555	18,221	1,283	10,000
3	LTIP: Grant of a limited recourse loan to Managing Director to purchase ordinary shares	16,671,865	98,535	7,501,659	10,000
4	LTIP: Grant of a limited recourse loan to Director of a Subsidiary to purchase ordinary shares	15,581,489	98,535	8,592,035	10,000

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Summary

- Continue building Health Division's Established Businesses
- On-going new business initiatives will lead to stronger & profitable Group in the longer term
- Remain confident of our growth strategy:
  - ❖Expanding existing & building new businesses

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Thank You

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